

**TOWN OF HOLDERNESS
BUDGET COMMITTEE
WORK SESSION MINUTES
January 14, 2021**

Budget Committee Members Present: Chair, Ken Evans, Bob Maloney, Kevin Barrett, Todd Elgin, Dayna Titus, Kelly Schwaner, Select Board Representative and Jill White, Select Board Alternate

Others Present: Town Administrator, Michael Capone, Holderness Central School Board Chair, Carolyn Mello and SAU 48 Business Administrator, Dan Rossner

Call to Order: Mr. Evans called the meeting to order at 5:30PM. Mr. Evans welcomed everyone to the meeting and reviewed the agenda for the evening.

Ms. White made note of the 91-A;2 requirements in effect and asked those present to advise if they were recording the meeting or had others present with them.

Draft minutes of the December 28,2020 Work Session: Mr. Evans noted that the draft minutes had been made available for review by the Town Administrator prior to the meeting. Mr. Maloney made a motion to approve them as written with a second from Mr. Barrett. There being no further discussion, those present voted 7-0 in favor of the motion.

Review and Discussion of the Town of Holderness Proposed Operating Budget and Warrant Articles to be presented at the virtual Public Hearing on February 3, 2021 beginning at 6:30PM.

Mr. Evans asked the Town Administrator to review the materials in support of the possible increase to the Fire Chief's position during the second half of fiscal year 21-22. It appeared to be the only significant increase that had not been previously discussed during the other work sessions.

The Town Administrator reviewed the spreadsheet he had prepared noting that, in this scenario, the Chief's position would go to full time at the rate of \$32/hr. The biggest impact to the change would be that presently, Chief Mardin does not take many of the benefits that the position might normally provide, the largest of these being retirement and health insurance. All of the benefit options need to be included in any funding scenario. The total potential impact for the second half of the fiscal year would be over \$27,000 in additional funds added to the budget. Mr. Evans noted that for many years the Town had been able to avoid these expenses, but may not be able to do so in the future.

The Town Administrator mentioned that he had also corrected a minor math error on the spreadsheet that would increase the proposed operating budget voted by the Select Board on Monday evening by \$518.00. He had contacted the Board members individually to get a sense from the Board that they were in support of the correction and would vote to approve the revised number at their meeting on Tuesday evening. They all replied in the affirmative.

Mr. Evans suggested that the Committee consider each warrant article individually. He read article 4 into the record. **"Article 4:** To see if the Town will vote to raise and appropriate the Budget Committee's recommended sum of Two Million Six Hundred Seventy-Seven Thousand Three Hundred and twelve dollars (\$2,677,312) for general municipal operations. Said sum does not include special or individual articles elsewhere within this warrant. "

Mr. Elgin moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans then read article 5 into the record. **“Article 5:** To see if the Town will vote to raise and appropriate the sum of Three Hundred and Ninety- One Thousand Five Hundred Dollars (\$391,500) to be placed in the following Capital Reserve Funds:

FIRE/RESCUE VEHICLES	\$75,000
ROAD RECONSTRUCTION	\$150,000
MUNICIPAL BUILDINGS	\$10,000
REVALUATION	\$35,000
FIRE EQUIPMENT	\$5,000
PUBLIC WORKS VEHICLES	\$71,000
CONSERVATION	\$5,000
POLICE CRUISER	\$20,000
ABATEMENT LEGAL DEFENSE FUND	\$20,500
TOTAL	\$391,500

Mr. Maloney moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans then read article 6 into the record **“Article 6:** To see if the Town will vote to raise and appropriate the sum of Twelve Thousand Dollars (\$12,000) to be placed in the New Cable Service Expansion Fund with funds for this appropriation to come from the unassigned fund balance. No additional funds will be raised by taxation.

Mr. Elgin moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Ms. Mello provided a second. Mr. Evans commented that this article had been separated from Article 5 where it had been included in the past. The Town Administrator mentioned the change to this article was the result of a conversation with the Department of Revenue Administration (DRA) to better clarify the funding source. Since this Capital Reserve was funded by franchise fees received from the cable company during the year, the funds could come from fund balance and not be raised by taxation. **There being no further discussion, the Committee voted 7-0 in favor of the motion.**

Mr. Evans read article 7 into the record **“To see if the Town will vote to raise and appropriate the sum of Two Hundred Forty-Nine Thousand One Hundred Fifty Dollars (\$249,150) for the following Capital projects and to fund this appropriation by authorizing the Select Board to withdraw the sums indicated from Capital Reserve Funds and Revolving Funds as noted: No additional funds will be raised through taxation.**

Road Reconstruction: \$175,350 (from the Road Reconstruction Capital Reserve Fund)

Revaluation (Cycle Inspections): \$25,000 (from Revaluation Capital Reserve Fund)

Pickup Truck for Police Department: \$45,000 (\$35,000 from the Police Cruiser Capital Reserve Fund and \$10,000 from the Police Department Revolving Fund)

Town IT Equipment: \$3800 Replacement of Two Workstations in the Town Office. (from the Town Information Technology Capital Reserve Fund)”

Mr. Maloney moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Elgin provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Barrett mentioned that he had asked the Town Administrator to review with DRA some suggested language to accompany warrant articles such as article 7 where money that had been previously raised through taxation, but was now being spent either from fund balance or capital reserve would read “these funds have been raised through taxation in prior years” rather than “no additional funds will be raised by taxation”. The Town Administrator noted that DRA has provided the suggested language to accompany warrant articles and a change to that language would not, by itself, disqualify a warrant article.

Mr. Barrett asked if the Select Board had considered changes to the language. Ms. White replied that the Board did discuss the matter at their meeting on Monday and the sentiment of the Board was to leave the present language in place. She did say that an explanation of the language would be provided at the public hearing on the budget.

Mr. Evans read article 8 into the record “To see if the Town will vote to raise and appropriate the sum of Twenty-Five Thousand Dollars (\$25,000.00) to purchase a reconditioned defibrillator for the Fire Department to further authorize the withdrawal of the sum of \$15,000 from the Fire Equipment Capital Reserve Fund. The balance of Ten Thousand Dollars to come from the unassigned fund balance. No additional funds will be raised through taxation.”

Mr. Barrett moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Maloney provided a second. Mr. Maloney asked if the Refurbished Defibrillator came with a warranty. The Town Administrator responded that it did. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 9 into the record” To see if the Town will vote to raise and appropriate the sum of Twenty-Six Thousand Dollars (\$26,000.00) to purchase Mobile Data Transmitters for the four Police Department cruisers with funds for this appropriation to come from the Unassigned Fund Balance. No additional funds will be raised through taxation.”

Mr. Maloney moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. The Town Administrator provided some additional background on this article noting that recent changes in technology would now make it possible for the Police Department to use these devices in their cruisers. Previously, because of the spotty cell phone coverage, it would have been a waste of money to purchase then because they would not have worked. Mr. Elgin asked what percentage of the Town would be covered by the devices. The Town Administrator did not have a percentage number for coverage, but noted that Chief DiFilippe did test them around Town and found only a couple of locations where they did not work.

There being no further discussion, the Committee voted 7-0 in favor of the motion.

Review and Discussion of the Holderness Central School Proposed Operating Budget and Warrant Articles to be presented at the virtual Public Hearing on February 3, 2021 beginning at 6:30PM.

Mr. Evans asked that the Committee now consider the Warrant Articles to date from the Holderness Central School. Carolyn Mello, Chair of the Holderness Central School Board, took a moment to report on a question that was asked with regard to the Field Trip budget line at the December 14, 2020 work session. She noted that the lower expenses incurred during the current years budget reflect the drop off in activities due to the COVID19 pandemic and the School anticipated a return to normal to increased activity during the next school year.

Mr. Evans read article 2 into the record: **Building Improvements from Capital Reserve** “To see if the School District will vote to raise and appropriate the sum of Ninety-Two Thousand Eight Hundred Dollars (\$92,800) for Window Replacement and Network Infrastructure and authorize the withdrawal of Ninety-Two Thousand Eight Hundred Dollars (\$92,800) from the School Building Capital Reserve Fund created for that purpose. No amount to come from General taxation. The School Board recommends this article. (Majority vote required)

Mr. Maloney moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Ms. Titus provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 3 into the record: **Technology Improvements from Capital Reserve** “To see if the School District will vote to raise and appropriate the sum of Fifty-Three Thousand Four Hundred Ninety Dollars (\$53,490) for Technology Equipment and to authorize the withdrawal of Fifty-Three Thousand Four Hundred Ninety Dollars (\$53,490) from the Technology Capital Reserve Fund previously established. No amount to come from General taxation. The School Board recommends this article. (Majority vote required)

Mr. Elgin moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 4 into the record: **Building Renovation Capital Reserve Fund** “To see if the School District will vote to raise and appropriate the sum of One Hundred Thousand Dollars (\$100,000) to be placed in the previously established capital reserve fund for building renovations. The School Board recommends this article. (Majority vote required)

Mr. Barrett moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Ms. Titus provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 5 into the record: **Technology Capital Reserve Fund** “To see if the School District will vote to raise and appropriate the sum of Forty Thousand Dollars (\$40,00) to be added to the Technology Capital Reserve Fund previously established. The School Board recommends this article. (Majority vote required)

Mr. Elgin moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 6 into the record: **Support Staff Collective Bargaining Agreement** “To see if the School District will vote to approve the cost items included in the collective bargaining agreement reached between the Holderness School Board and the Holderness Educational Support Staff Association which calls for the following increases in salaries and benefits at the current staffing level:

Fiscal Year	Estimated Increase
2021-2022	\$62,283
2022-2023	\$60,205
2023-2024	\$60,621
2024-2025	\$60,550

and further to raise and appropriate Sixty-Two Thousand Two Hundred Eighty-Three Dollars (\$62,283) for the current fiscal year, such sums representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels. The School Board recommends this article. (Majority vote required)

Mr. Maloney moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Ms. Titus provided a second. Mr. Evans asked if the wage lines came from lines 304 and 292. Mr. Rossner replied that they came from line 29, 57 and 304. Mr. Rossner went on to explain the salary schedule and the step process used in the wage matrix.

Mr. Evans asked how the health plans compare with other Towns in the SAU. Mr. Rossner explained the spreadsheet he had prepared that compared the proposed plan with other plans in the SAU. Three of the School Districts currently offer a family plan and three offer a single person plan. This proposal offers a two person plan for the Holderness Central School support staff.

Mr. Barrett compared the school plan to the plan offered for town employees.

Mr. Evans noted that the additional cost to the School District would be compounded over the next four years.

Mr. Barrett commented that it would set a precedent and expressed concern with the increase cost.

Ms. White mentioned that this process is different from what is done with the Town as it is a different employment segment.

Ms. Mello noted that the agreement was negotiated in good faith and she appreciated all of the comments and concerns expressed by the committee.

There being no further discussion, the Committee voted 3-3-1 with the yea votes being Ms. Titus, Ms. Schwaner and Ms. Mello, the nay votes being Mr. Evans, Mr. Barrett and Mr. Elgin. Mr. Maloney abstained from the vote.

Mr. Rossner commented that the vote, as cast, would result in no recommendation/non recommendation from the Budget Committee being listed in the warrant.

The Budget Committee could consider a separate vote to include the vote total on the motion in the warrant. Mr. Maloney made a motion to include the vote of the Budget Committee on Article 6 in the warrant. Ms. Titus provided a second. There being no further discussion, the Committee voted 6 -1 in favor of the motion.

Mr. Evans read article 7 into the record: **Fund Balance to Building Capital Reserve Fund** "To see if the School District will vote to raise and appropriate the sum of Forty Thousand Dollars (\$40,00) to be added to the School Building Capital Reserve Fund previously established. This sum to come from June 30 fund balance available for transfer on July 1. No amount to be raised from taxation. The School Board recommends this article. (Majority vote required)

Mr. Elgin moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Barrett provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Mr. Evans read article 8 into the record: **Operating Budget** "To see if the School District will vote to raise and appropriate the budget committee's recommended amount of Four Million Six Hundred Twenty-Two Thousand One Hundred Twenty-Eight Dollars (\$4,622,128) for the support of schools, for payment of salaries for the school district officials and agents and for the payment for the statutory obligations of the district. This article does not include appropriations contained in special or individual articles addressed separately. The School Board recommends this article. (Majority vote required)

Mr. Barrett moved that the article be recommended by the Budget Committee to be brought to the Budget Hearing on February 3, 2021. Mr. Elgin provided a second. There being no further discussion, the Committee voted 7-0 in favor of the motion.

Other Business - Mr. Evans thanked both Ms. Mello and Mr. Rossner for their presentation and expressed his appreciation for how the process has evolved through the years.

The Budget Hearing is scheduled for February 3, 2021 beginning at 6:30PM. The Budget Committee had discussed holding the hearing virtually. Ms. White asked if the Holderness Central School Board had discussed holding the hearing virtually or in person. Ms. Mello replied that the School Board would work with everyone to make sure the format works for all.

Adjournment - There being no further business to come before the meeting, it was adjourned at 7:07PM.

Respectfully Submitted,

Michael R. Capone
Town Administrator